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PP RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHVT #0135/01 0980514
ZNY CCCCC ZZH
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FM AMEMBASSY VALLETTA
TO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEHNO/NATO EU COLLECTIVE PRIORITY
RUEHRSK/AMEMBASSY MINSK PRIORITY 0005
RUEHPS/USOFFICE PRISTINA PRIORITY
RUEHVJ/AMEMBASSY SARAJEVO PRIORITY 0002
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 1473

C O N F I D E N T I A L SECTION 01 OF 02 VALLETTA 000135

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DEPARTMENT FOR EUR/WE

E.O. 12958: DECL: 04/04/2018
TAGS: [MT](#) [NATO](#) [PREF](#) [PREL](#) [PGOV](#)
SUBJECT: MALTA'S NEW FM GRATEFUL FOR PROGRESS ON DTA, PFP,
AND REFUGEE RESETTLEMENT PROGRAM

REF: A. STATE 30007

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Classified By: MCummings for reasons 1.4 (b) and (d)

[1](#)1. (SBU) Summary. March 25, Ambassador Bordonaro met with the Malta,s new Foreign Minister Tonio Borg. As this was the first time the Ambassador met with Borg since his appointment as Foreign Minister, she updated Borg on the progress achieved on key issues on our bilateral agenda, such as the Double Taxation Agreement and refugee resettlement program. Over the course of the discussion, the Ambassador also welcomed Malta,s decision to rejoin NATO,s Partnership for Peace, raised the talking points on Belarus (Reftel A), and encouraged Malta to recognize Kosovo,s independence (Borg said he was recommending recognition). End summary.

DOUBLE TAXATION AGREEMENT INITIALED

[1](#)2. (SBU) In a meeting with the new FM Tonio Borg on March 25, the Ambassador informed Borg that a team from the US Department of Treasury was in Malta to complete negotiations on a US-Malta Bilateral Double Taxation Agreement (DTA). Since many of the technical details were hammered out in previous rounds the Ambassador was able to express confidence that the negotiations would produce an agreement to be initialed by March 27, which they did (reported septel). The one outstanding issue that had yet to be negotiated, which was raised by the Senate Foreign Relations staff, relates to the insurance excise tax; Treasury and Malta,s DTA negotiators agreed that this issue could be dealt with through an exchange of notes. The Ambassador notified Borg that the treaty once signed would have to be ratified by the US Senate. From Malta,s perspective the ratification process is simple: the Treaty will be published in the Government Gazette and if there are no objections within thirty days it will enter into effect.

MALTA JOINS NATO,S PFP IN TIME FOR BUCHAREST SUMMIT

[1](#)3. (SBU) The Ambassador congratulated Borg on the decision Malta took to rejoin NATO,s Partnership for Peace (PfP). Borg thanked the Ambassador for her support, guidance and communication throughout the process. In the end, Malta simply needed to forward a letter to the NATO Secretary General formal rescinding Malta's 1996 letter of withdrawal. Borg understood that Malta,s individual program, originally

negotiated in 1994 upon entry to PfP, would be reactivated as Malta still felt its best contribution would be through joint training programs.

14. (C) Aside from process, Borg indicated that the decision had been taken in such an expeditious manner in order to ensure Malta would be accepted as a member at the Bucharest summit. He voiced his concern that the criticism (by the media and the opposition) of the manner in which the decision to rejoin was taken would solidify Malta's population against PfP if Malta was not invited to join at the Bucharest summit (this concern was obviated by Prime Minister Gonzi's subsequent trip to Bucharest, where he represented Malta as the newest member of PfP. The opposition Malta Labor Party has been vocal in its criticism of the government's decision to join PfP, which it claims is a violation of the neutrality clause in Malta's constitution.

KOSOVO) NO DECISION YET, BUT LEANING TOWARDS RECOGNITION

15. (C) Borg told the ambassador that his recommendation to the Prime Minister would be in favor of recognition of Kosovo. Borg indicated a decision on the matter would be taken soon. The one caveat he added was that he needed to review the statement made by his predecessor, former Foreign Minister Michael Frendo, on the matter to the Foreign Affairs Committee from several months ago (Reftel B). Before a decision is made public, it is likely Borg will first brief the opposition and the Foreign Affairs Committee (note: Parliament will reconvene in mid-May), as is traditional prior to significant policy changes (the fact that the government has been so heavily criticized in the press for taking a decision to rejoin PfP without prior consultation

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makes it unlikely the GoM will recognize Kosovo prior to briefing the committee in late May). Borg also mentioned that Malta was waiting for Greece to make a decision, seeming to indicate that would influence their decision.

TIP) REPORTING PROGRESS AND CLARIFYING MISPERCEPTIONS

16. (SBU) The Ambassador told Borg that before the reporting period ended on March 31 it would be to Malta's benefit to complete the draft Memorandum of Understanding (MOU) between the Police Force and the Ministry of Social Policy to formalize the process of screening all prostitutes and potential victims of trafficking by social workers. The same day the Ambassador conveyed this message to Minister Borg the MOU was signed and put into force.

17. (SBU) Borg had dealt with TIP in his previous role as Minister for Justice and Home Affairs and is very concerned about misperceptions regarding the nature of the problem of human trafficking in Malta. Borg expressed his concern to the Ambassador that last year's TIP report seemed to confuse the trafficking problem with the irregular migrants who have been rescued at sea en route to mainland Europe and then brought to Malta. He added that it was important to present an accurate picture of the situation; Borg also felt it was critical to point out that the Police and Ministry for Social Policy were willing to carry out the recommended measures in order to full address the problem.

REFUGEE RESETTLEMENT PROGRAM INCHES FORWARD

18. (SBU) Borg first expressed his gratitude to the USG for its "serious and concrete commitment" to assist Malta by resettling some of Malta's African refugees in the U.S. While grateful for the program, Borg was eager to see results; he inquired when the first group of refugees would be departing for the United States. The Ambassador informed Borg that although no departure date had been set, more than

80 individuals had been approved by DHS for resettlement and were undergoing medical and security clearances.

¶9. (SBU) The Ambassador raised concerns relayed to the Embassy by UNHCR about continuing the resettlement program in the absence of commensurate improvements by the GoM of the conditions in the camps. Borg agreed that the conditions could be improved, but insisted that the manner in which UNHCR approached the matter was not constructive. Borg agreed to attend a meeting hosted by the Ambassador with UNHCR and key GOM officials when Walter Irvine, the head of the UNHCR office in Rome, visits in late April. He welcomed the opportunity to improve relations with UNHCR, acknowledging that this would be in Malta's interest.

MALTA EXPRESSED FOR EU STATEMENT ON BELARUS

¶10. (C) Ambassador Bordonaro conveyed talking points contained in reftel demarche on the demands by the Government of Belarus that the US reduce staff at the Embassy in Minsk (Reftel A). Borg indicated his understanding was that this would be addressed in the GYMINCH and Malta would support a strong statement from the EU on this matter.

COMMENT

¶11. (C) In her dealings with Tonio Borg during his tenure as Minister for Justice and Home Affairs in the previous government, the Ambassador established an excellent working relationship with him. Borg, who also serves as Deputy Prime Minister, has proven to be a reliable partner who can generally be counted on to move things forward, with the MOU between the Police Force and the Ministry for Social Policy on TIP being a good example. We believe that Borg will be more accessible than the previous FM, with whom we had difficulty scheduling regular meetings, and who was thus frequently out of the loop in bilateral USG-GoM developments. The relationship with Borg promises to be different in tone and tempo.
BORDONARO